

0-3098

3 February 1949

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After our recent telephone conversation I made inquiry concerning your letter of December 19, 1948 addressed to me. I have been advised that your earlier letter of November 22, 1948, addressed to the Central Intelligence Agency was answered on November 30, 1948 by [redacted] the representative of this Agency who interviewed you on November 22, 1948.

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With reference to your letter of December 19, 1948, I find that unfortunately it was placed in the files on the assumption that since your previous letter had been acknowledged, the matter was closed to your satisfaction.

I regret that the manner in which this matter was handled may have caused you any concern or inconvenience.

Very truly yours,

Signed & dispatched 2/3

R. H. Hillenkoetter  
Rear Admiral, USN  
Director of Central  
Intelligence

Drafted by I&S

Distribution:

Original - Addressee

✓ 1 cc - DCI

1 cc - I&S - w/basic ltr 12/19/49 from [redacted] ER 0-2616-A

1 cc - Central Records

Memo for Record: [redacted] 12/19 letter was addressed to:

Admiral Hillenkoetter or General Wright or [redacted]

Memo for DCI, "Correspondence and Telephone Call from [redacted]

[redacted] dated 2/2/49, also returned to I&S for file.

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FILE: [redacted]

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WALTER WINCHELL  
In New York

A Balkanazi on Broadway

In America a man who supports all parties lacks principle. In the Balkans a businessman who doesn't lacks common sense. In the Balkans it's just a magnate's insurance against the crowd in office. Revolution isn't a crime--it's a speculation--and the only way to avoid a loss is to hedge the bet by backing all parties.

The Balkans never produced a more typical figure than Nikolae Malaxa operating right now in N.Y.C. Malaxa was born in Romania but received his engineering education in Germany. He specialized in locomotives and steel. (Gold, in the Balkans, is important because it commands Steel.) When King Ferdinand died --Romania (in 1929) elected its first free peasant government. Malaxa at once entered the cabal of King Carol to overthrow it. When the Carol group re-entered Romania in 1930 Madame Lupescu remembered the rising young steelman--with big generous contracts for railway materials and ammunition. Malaxa decided to parlay his successful bet with some other rising stars in the Northwest. He contacted Goering. Through his influence with King Carol he demanded the nazification of the steel industry--and muscled out the Vickers cartel. Action being a little slow, a strange coincidence occurred: The former manager woke up one morning still surrounded by steel--but this time in the shape of bars especially ornamented with a lock. Nikolae Malaxa, steel master, was now the master of steel in Romania!

Goering was so grateful! As benumbed and bleeding Warsaw was dragging itself from its twisted girders, in December 1939 the "Berliner Illustrier Zeitung" published a 3 page article on the personality and the importance of Nikolae Malaxa. Why not? In the very hours before the German Army marched, August 1939, the official Nazi paper (Hitler's "Voelkischer Beobachter") found space to approve the doings of Nikolae Malaxa. Malaxa was urging King Carol to support the Nazis; he offered to sell the Nazis his factories. The fact is that Malaxa was so German-Nazi he shocked even the Romanian nationalists. He gave large sums to the Iron Guard; Iron Guardsmen were given preferred positions in the Resita Steel works. The Iron Guard revolted in 1941 on the ground that the Romanian Gov't was protecting Jews. 7,000 Jews were slaughtered. Malaxa was arrested when the Iron Guard was defeated and his factories confiscated. But with the Malaxa "touch" which knows when to use gold where steel has failed--he was released within three weeks and, indeed, later reinstated and given additional control of some state owned factories and mines.

In August, 1944, Romania was liberated. Malaxa, as impersonal as the steel he manufactured, at once offered his services to Moscow. The men in whose bodies his steel often found home were invited to make themselves at home in his factories. They did. He received the complete confidence of the Communists, along with about two and a half million dollars in compensation, for a pipemill they had dismantled.

When a "commercial delegation" left Romania for the United States in 1946 Nikolae Malaxa insisted on accompanying it. There are some people who believe that the "commercial delegation" was largely a cover for his visit. This alone is extremely dangerous. Your reporter is widely advised that it is as difficult to get a passport out of Romania as this reporter found it to be to get a visa into Russia. (But this Malaxa, at least, has given me an idea. Maybe the way to get into Russia's confidence is to get certified by Nazi Fritz Kuhn. But just to show that a reporter doesn't need a passport as much as an industrialist does, I'll publish an eyewitness account of the doings inside a Russian concentration camp shortly.

Malaxa succeeded in freeing a million and a half bucks in a N.Y. bank, a real feat. Could it be that neither his attorneys nor the U.S. Gov't were in possession of the same facts as your reporter? In any event, Sullivan & Cromwell, the firm of John Foster Dulles, withdrew as his attorneys months ago, as did distinguished Washington counsel.

Now a versatile fellow like Nikolae Malaxa is not the kind of a man to abhor a popular cause. Accordingly, what more natural than that this same man who collaborated with the Nazis (and is here on a Communist visa) should suddenly emerge as a friend and a contributor to Zion? Hypocrisy, Mr. Gallagher? No, just Balkan, Mr. Shean.

Mr. Malaxa has a magnificent record of always returning to his money. You can't get steel plants out of Romania on a passport. The Communists hold those steel plants, and they therefore hold Mr. Malaxa's heart. Now, the very, very large American companies have had no luck at all in getting paid for their plants in Romania.

If Malaxa can create the impression that he can do as much for them as he did for himself, he's likely to find himself offered some nice deals. The whisper around Wall St. is that if you want to get anything out of Romania, you'd better make arrangements to get in to see Mr. Nikolae Malaxa. Well, even the chumps of Wall Street should realize that the Kremlin needs an industrialist front. If Mr. Malaxa weren't in Moscow's highest graces, he wouldn't be here. And what Moscow won't deliver to Washington, Malaxa cannot deliver to Wall St...Wise up, Wall Street, wise up. Malaxa is just a puppet manipulated from behind the Iron Curtain. The payoff, if any, is in rubles, not dollars.

In any event please don't be shocked by this little saga of the Balkans on Broadway. Above all, don't call Mr. Malaxa a hypocrite --just because he contributed to the Fascist Iron Guard--and the Zionists at the same time. Because if you were to drop a note to Mr. Malaxa telling him he has two faces, you might get a sneering reply to the effect that so has an American dollar bill.

(End)

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